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UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

IN RE HIGH-TECH EMPLOYEE
ANTITRUST LITIGATION

THIS DOCUMENT RELATES TO:

ALL ACTIONS

Case No.: C 11-CV-2509-LHK

**DECLARATION OF JAMES M.
KENNEDY PURSUANT TO CIVIL
LOCAL RULE 79-5 SUBMITTED
IN SUPPORT OF DEFENDANTS'
ADMINISTRATIVE MOTION TO
FILE UNDER SEAL**

Date: January 17, 2013
Time: 1:30 p.m.
Courtroom: 8, 4th Floor
Judge: Hon. Lucy H. Koh

Date Consol. Amended Compl. Filed:
May 4, 2011

Trial Date: Nov. 12, 2013

DECLARATION OF JAMES M. KENNEDY PURSUANT TO
CIVIL LOCAL RULE 79-5 SUBMITTED IN SUPPORT OF
DEFENDANTS' ADMINISTRATIVE MOTION TO FILE
UNDER SEAL
Case No.: C 11-CV-2509-LHK

DECLARATION OF JAMES M. KENNEDY

I, James M. Kennedy, declare as follows:

1. I am the Senior Vice President, Business Strategy and Chief Legal Counsel for Pixar and I am an attorney licensed to practice law in the State of California. The matters set forth herein are true and correct of my own personal knowledge and information provided to me. If called as a witness, I could and would testify competently thereto.

2. I submit this declaration pursuant to Civil Local Rule 79-5 and this Court's Standing Order with respect to documents that Defendants have requested to file under seal in their November 12, 2012 Joint Administrative Motion. *See* Joint Administrative Motion to File Under Seal filed on November 12, 2012. Pixar requests that certain materials designated as confidential by Pixar and lodged under seal by Defendants on November 12, 2012 be sealed pursuant to Civil Local Rule 79-5. In particular, Pixar requests that the Court maintain under seal (a) portions of Defendants' Opposition to Plaintiffs' Motion for Class Certification ("Defendants' Opposition"); (b) portions of the Expert Report of Kevin Murphy ("Murphy Report"); (c) Paragraphs 7, 9, and portions of paragraphs 10, 11, and 17 of the Declaration of Lori McAdams in support of Defendants' Opposition ("McAdams Declaration"); (d) Exhibit 1 of the McAdams Declaration; and (e) portions of Defendants' Motion to Strike the Report of Dr. Edward E. Leamer and Memorandum of Law in Support ("Motion to Strike").

3. These materials include, quote from and/or attach as exhibits confidential information and testimony that Pixar has designated CONFIDENTIAL and CONFIDENTIAL - ATTORNEYS' EYES ONLY under the terms of the Stipulated Protective Order (as modified by the Court) filed in this case (Dkt. No. 107) ("Protective Order").

4. Defendants filed public versions of these materials on November 12, 2012. In the public versions, Defendants redacted those portions that refer to the contents of Pixar's confidential documents and testimony.

5. I have reviewed Defendants' Opposition, the Murphy Report, the McAdams Declaration, Exhibit 1 of the McAdams Declaration, the Motion to Strike, and Defendants'

Administrative Motion. Good cause exists to file under seal the following paragraphs, footnotes, exhibits, and references, which contain competitively sensitive and proprietary information about Pixar's business strategy, compensation and benefits practices, and competitive recruiting strategies and policies. Pixar's proposed redactions to these documents have been lodged with the Court.

(a) Lines 4-8, 11-17, 20-24 and 26-27 of page 2, and lines 6-7 of page 4 of the McAdams Declaration, and references thereto at lines 18-20 of page 7 of Defendants' Opposition. These excerpts contain confidential and competitively sensitive information regarding Pixar's internal compensation practices and strategies. There is good cause to seal information contained in these paragraphs because it reveals competitively sensitive information regarding Pixar's compensation practices and strategies. The paragraphs include proprietary and non-public information concerning Pixar, and Pixar would be prejudiced if the information contained in the redacted portions of the McAdams Declaration and Defendants' Opposition quoting therefrom were made available to the general public.

(b) Exhibit 1 to the McAdams Declaration. This Exhibit showing Pixar's job family matrix for the year 2006 contains confidential and competitively sensitive information. There is good cause to seal this Exhibit because it reveals competitively sensitive information regarding Pixar's salaries, salary ranges, and distribution of salaries within salary ranges.

(c) With respect to information regarding Pixar, good cause exists to seal portions of lines 21-23 of page 19 of Defendants' Opposition. These portions of Defendants' Opposition refer to and quote from a Pixar document that has been designated confidential. The document contains confidential and competitively sensitive information regarding business strategy and internal compensation and recruiting practices of The Walt Disney Company ["TWDC"], Pixar, and ImageMovers Digital. TWDC is the parent of Pixar and was the co-founder, with Robert Zemeckis, of ImageMovers Digital. There is good cause to seal references to information contained in this document because the document reveals sensitive information regarding business strategy of TWDC and its subsidiaries. Disclosure would reveal confidential

1 intra-company communications regarding internal recruiting and staffing policies. Pixar and its
 2 affiliates would therefore be prejudiced if the information were made available to the general
 3 public.

4 (d) With respect to information regarding Pixar, good cause exists to seal
 5 Exhibits 2A, 2B, 3, 5, 6, 7A, 7B, 8A, 8B, 10, 14A, 14B, 18A, 18B, 19, 20, 21A, 21B, 22A, 22B,
 6 23, 24, 25A, 25B, 26, Appendices 1A-4D, 5E, 6E, 7E, 8A-14B, and the information and
 7 conclusions derived therefrom in Paragraphs 35 and 94 of the Murphy Report. The Exhibits,
 8 Appendices, and the information and conclusions derived therefrom reflect highly confidential
 9 and competitively sensitive data regarding Pixar's compensation practices and strategies.
 10 Disclosure would create a substantial risk of serious competitive harm to Pixar because its
 11 competitors would gain insight into Pixar's competitive and proprietary compensation
 12 strategies. Pixar would therefore be prejudiced if the information were made available to the
 13 general public.

14 (e) With respect to information regarding Pixar, good cause exists to seal
 15 information contained in lines 1-2 on Page 11 and lines 2-3 of Footnote 13 on Page 17 of the
 16 Defendants' Motion to Strike, and Page 400, Line 16 of Exhibit A to the Declaration of Susan
 17 Welch in Support of Defendants' Motion to Strike. These excerpts of Defendants' Motion to
 18 Strike and Exhibit A thereto contain confidential and competitively sensitive information
 19 regarding Pixar's internal compensation practices. There is good cause to seal this information
 20 because it reveals competitively sensitive information regarding Pixar's compensation practices.
 21 The excerpts include proprietary and non-public information concerning Pixar, and Pixar would
 22 be prejudiced if the information contained in the portions of the Motion to Strike and Exhibit A
 23 thereto were made available to the general public.

Executed on November 12, 2012, in Emeryville, California.

James M. Keating

James M. Kennedy